



McHENRY COUNTY, ILLINOIS

SENIOR SERVICES GRANT FUND

POLICIES MANUAL

SEPTEMBER 2016

SENIOR SERVICES GRANT FUND / POLICIES MANUAL

PURPOSE

In April of 2003 a referendum was approved by the citizens of McHenry County to levy a tax rate not to exceed .025% for the purpose of providing transportation and social services for senior citizens of the County as was authorized under the Illinois State Statutes 55 ILCS 5/5-1034, 5/5-1005 and 5/5-109.

In furtherance of that objective, the McHenry County Board created the Senior Services Grant Fund and assigned oversight authority of the Fund to the County's Public Health and Human Services Committee. The Fund is available to provide assistance to nonprofit organization and other units of local government (hereinafter "grantees") to provide those transportation and social services as authorized under State Statutes. Additionally, the McHenry County Board established the Senior Services Grant Commission as a sub-committee of the Public Health and Human Services Committee to advise the Committee on programs and projects eligible for Senior Services Grant funding.

This Manual establishes operational standards and provides guidance for implementation and monitoring of programs and projects operated by grantees receiving funding from the Senior Services Grant Fund. It therefore fulfills one of the primary objectives of McHenry County government, which is to efficiently and effectively deliver services to the residents of the County.

OBJECTIVES

The operation and monitoring policies contained in this Manual are an integral management control technique for the Senior Services Grant Fund. It is an ongoing process that assesses the quality of a grantee's performance over a period of time. It also establishes internal management, financial and operational policies to ensure consistent standards are applied by McHenry County staff assigned to the oversight of the Senior Services Grant Fund. The Manual also provides standards for ongoing monitoring of grantee's utilization of Senior Services Grant Funds. Monitoring provides information about a grantee's program/project effectiveness and management efficiency. It is the principal means by which the County:

- A. Ensures that programs and technical areas are carried out efficiently, effectively, and in compliance with applicable laws and regulations;
- B. Assists program grantees in improving their performance, developing or increasing capacity, and augmenting their management and technical skills; and
- C. Stays informed on the technical and operational matters program grantees are experiencing within the senior community to better structure future projects/programs.

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OPERATIONAL POLICIES

PROGRAM QUALIFICATIONS

1. Eligible Activities: Within the statutory requirements of Illinois law, Senior Service Grant Funds must only be used for the following activities:
 - I. Provide supportive social services designed to prevent the unnecessary institutionalization of elderly residents
 - II. Provide for the operation of and equipment for, senior citizen centers
 - III. Providing social services to senior citizens
 - IV. Provide for transportation vehicles or services for senior citizens
2. Ineligible Activities: Within the statutory requirements of Illinois law and McHenry County Policy, Senior Service Grant Funds may not be provided to or used for the following entities or activities:
 - I. Individuals
 - II. Hospital (for institutional programs and services)
 - III. Nursing Homes (for institutional programs and services)
 - IV. Pass-through organizations
 - V. Purely social organizations
 - VI. Political parties or candidates
 - VII. For-profit organizations
 - VIII. Advertising, journals, booklets, etc.
 - IX. Ticket purchases
 - X. Sponsorships
 - XI. Construction or capital projects (unless funding is used to increase service capacity for which the non-profit organization has already been funded)
 - XII. Non-direct service agencies (defined as agencies that provide administrative, technical, or facility management services to direct service agencies but which do not provide eligible services directly to seniors)
 - XIII. Start up agencies (defined as agencies that have not provided eligible senior service activities for at least one year prior to submission of an application to the Senior Services Grant Fund)
 - XIV. Payment of debt service
 - XV. Preparation of grant applications
3. Eligible Organizations: Within the statutory requirements of Illinois law units of local government, and nonprofit organizations are eligible to receive Senior Service Grant Funding.
4. Application Requirements: McHenry County will annually make Senior Service Grant Funds available to eligible organizations and units of local government for eligible programs and projects servicing the needs of the County's senior

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population. The County will annually issue a Notice of Funding Availability (NOFA) for programs and projects to provide those eligible services to the County's senior citizens. As part of the NOFA process applicants will be asked to provide the following information on the programs and projects that are being proposed:

- I. Identification of the target population, specifying beneficiaries' income levels.
 - II. A statement of the need for the program/project and evidence of non-duplication of the services provided to seniors.
 - III. Narrative of the program/project elements as a response to the identified need, providing rationale for the effectiveness of the program/project.
 - IV. The goals and objectives of the program/project as they relate to seniors' needs and the organization's mission.
 - V. A description of the organization's capacity, including its ability to continue the proposed program implementation in the event of staff vacancies.
 - VI. Evidence that the proposed program/project is a community collaborative effort.
 - VII. A description of how the program will be evaluated.
 - VIII. Continuation plan, including financial need and leveraging of funding.
 - IX. Proposed budget for the program/project detailing the percentage of Senior Service Grant Funds to be used for the direct benefit of seniors and the percentage of Senior Service Grant Funds to be used for administrative expenses.
 - X. A list of the organization's Board of Directors, if applicable.
 - XI. A resolution or copy of the minutes of the governing entity of the organization authorizing application for Senior Service Grant funds.
 - XII. A copy of the organization's By-Laws, if applicable.
 - XIII. A copy of the organization's most recent annual financial audit with accompanying Management Letter.
 - XIV. A copy of the Internal Revenue Service determination letter indication nonprofit status, if applicable.
 - XV. A copy of the Internal Revenue Service Form 990 and IL Form AG-990 for nonprofit agencies or equivalent information for government agencies.
 - XVI. Letters of support and agreements of cooperation/collaboration from all collaborating agencies.
 - XVII. Additional requirements as made be detailed in the County NOFA for programs/projects.
5. Award of Funds: Programs/project proposals will be reviewed by the McHenry County Senior Services Grant Commission. The Commission submits funding recommendations to the Public Health and Human Services Committee which in turn submits its recommendations to the full County Board for approval. The Senior Services Grant Commission and Public Health and Human Services Committee reviews the following factors in making its recommendations:

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- I. Quality of the information submitted by applicant in addressing specific information requested in the County's NOFA for Senior Services Grant funding.
 - II. Benefit to vulnerable senior citizens (low-income, disabilities, etc.).
 - III. Promotion of independent living for individuals who are at risk of losing their independence.
 - IV. The program/project meets the strategic goals of the Senior Services Grant Fund.
 - V. Evaluation of applicants past implementation of programs/projects receiving Senior Service Grant funds.
 - VI. The financial stability of the organization as demonstrated by its most recent annual financial audit and accompanying Management Letter.
 - XVIII. A responsible overhead ratio as demonstrated by its Internal Revenue Service Form 990 and IL Form AG-990 (for nonprofit agencies) or equivalent information (for government agencies).
6. Reimbursement Program: Senior Service Grant funds are distributed to agencies on a reimbursement basis. Grantees incur the cost of providing the program/project and submit requests for payments to the County for reimbursement of eligible expenditures.
- I. Payment requests and reimbursements are on a quarterly basis (based on the County Fiscal Year of December 1st through November 30th), unless the grantee requests monthly payments as part of its program/project application.
 - II. Monthly payment requests must be recommended for approval by the Senior Service Grant Commission and Public Health and Human Services Committee and must be approved by the County Board. Monthly payments will only be approved for grantees that are suffering financial hardship for reasons that are beyond their control.
 - III. Quarterly or monthly payment requests and reimbursements are **not** limited to twenty-five percent (25%) or eight percent (8%) of the total awarded grant budget, respectively) provided appropriate documentation is submitted for all expenditures.

CONTRACTUAL REQUIREMENTS

Applicants receiving approval of proposed projects/programs from the McHenry County Board will be required to enter into a contractual agreement detailing the services to be provided. All contractual agreements will contain the following requirements:

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1. Time of Performance: All contractual agreements for programs/services will be written for a twelve (12) month period commencing on the start of the County's fiscal year (December 1st).
2. Requests for Payment: All contractual agreements will specify that requests for payments may be submitted on a monthly or quarterly basis, as approved by the County Board. Quarterly requests for payment will be submitted at the end of February, May, August, and November.
 - I. All requests for payment for contracted programs/services shall be submitted to the County for payment within thirty (30) days after the end of the payment period (quarter or month).
 - II. Expenditure Documentation: The Agency will submit the following materials in support of requests for payment:
 - a. Request for payment on the letterhead of the entity stating amount requested and the specific time period for which services were provided.
 - b. Payments of eligible expenses will be requested in accordance with the line item budget specified in the contractual agreement.
 - c. Documentation must be provided evidencing program/project expenditures for salaries, benefits, administrative overhead, supplies and fixed assets for which payment is being requested.
3. Quarterly Report Form: Requests for payments must be accompanied by a Senior Services Grant Fund Quarterly Report Form. Grantees receiving monthly reimbursements, must submit the Quarterly Report form with their payment requests at the end of February, May, August, and November.
 - I. The Senior Services Grant Fund Quarterly Report Form shall include a quarterly financial statement including: a statement of contract balance; a statement of revenue and expenses; changes in fund balances itemized according to the contractual agreement's grant budget; a cumulative year-to-date statement of revenue; and other information as so required in the Senior Services grant fund Quarterly Report Form. Financial data shall include all sources of funding for the program/project in addition to funding provided by the Senior Services Grant Fund.
 - II. Grantees are responsible to submit the Quarterly Report Form for the entire period of the contractual agreement even in the event that all funds have been expended.
 - III. Non-profit grantees shall rely on 2 CFR 230 for guidance in establishing financial management systems. Local government grantees shall rely on 2 CFR 225 for guidance in establishing financial management systems.

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Educational grantees shall rely on 2 CFR 220 for guidance in establishing financial management systems.

4. Payments: County staff will process payment requests and distribute reimbursements as quickly as possible, however, processing time may vary. It may take a grantee up to thirty (30) days to receive reimbursement of eligible grant expenditures.
 - I. If County staff is unable to verify the eligibility of any expenditure based on the documentation submitted by the grantee, County staff will discuss the request with the grantee by telephone or email and provide the grantee one opportunity to submit additional documentation to support the request.
 - II. If the agency does not submit documentation sufficient to verify the eligibility of the expenditure, staff will reject that portion of the payment request and distribute reimbursement for only those portions of the payment request that are approved.
 - III. Funds that are not reimbursed to an agency in any billing period (quarter or month) due to insufficient documentation of expenditures may be utilized by the agency in subsequent billing periods for other eligible program/project expenditures provided such expenditures are within the program/project budget.
 - IV. No payments will be made for program/project expenditures incurred before or after the dates of the contract period.

3. General Conditions

The grantee shall agree and adhere to contractual agreement provisions regarding:

- I. General Compliance
- II. Independent Contractor
- III. Hold Harmless
- IV. Workers' Compensation
- V. Insurance
- VI. County Recognition
- VII. Amendments
- VIII. Suspension or Termination

4. Administrative Requirements

The grantee shall agree and adhere to contractual agreement provisions regarding:

- I. Accounting Standards

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- II. Documentation and Record Keeping
- III. Reporting and Payment Procedures
- IV. Procurement

5. Regulatory and Legal Compliance

The grantee shall agree and adhere to contractual agreement provisions regarding:

- I. Civil Rights
- II. Drug Free Workplace
- III. Conflicts of Interest
- IV. Assignability
- V. Selection Process
- VI. Compliance with Laws
- VII. Controlling Law
- VIII. Severability

CONTRACT AMENDMENTS

1. From time to time the County and grantees may determine that it is mutually beneficial to change the terms of the contract to accommodate changes in the needs of the grantee. Examples of eligible contract amendments include, but are not limited to, the following:
 - I. Changing the grantee budget, such as transferring expenditures between line items such as salaries, benefits, administrative overhead, supplies, fixed assets, or mileage.
 - II. Requesting a contract extension beyond the original twelve month contract to allow the grantee additional time to complete the program/project.
 - III. Requesting monthly instead of quarterly payments.
2. Any request for modification(s) to the contract must be made in writing from the grantee to the County within the first three quarters of the County Fiscal year. The County will not consider any request for a modification to a contract during the fourth quarter of the fiscal year. The request must state the reason for the modification. Any request for monthly, instead of quarterly payments, must be accompanied by proof that the agency is suffering from financial hardship for reasons that are beyond its control.
3. All requests for contract amendments must be reviewed and recommended for approval by the Public Health and Human Services Committee and approved by the County Board. The Senior Service Grant Commission shall be notified of requests for contract amendments.

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4. Following approval by the County Board, the amended contract must be properly executed by the grantee and the County Board Chairman.
5. County staff does not have the authority to execute contracts or contract amendments.

MONITORING POLICIES

APPROACH TO MONITORING

County staff should view monitoring, not as a periodic exercise, but as an ongoing process involving continuous communication and evaluation. Such a process includes frequent telephone, e-mail contacts, written communications, analysis of reports and audits, and periodic meetings. It is the responsibility of County staff to keep fully informed concerning the grantee's compliance with program requirement and the extent to which technical assistance is needed.

The overriding goal of monitoring is to determine compliance, identify and prevent deficiencies, and design correction actions to improve or reinforce program grantee performance. As part of the process County staff should be alert for fraud, waste and mismanagement, or situations with potential for such abuse. Where possible, any identified deficiencies in need of corrective action should be handled through discussion, negotiation, or technical assistance with the program grantee. Monitoring also provides opportunities to identify program/project accomplishments as well as successful management, implementation and evaluation techniques.

MONITORING FRAMEWORK

The County will utilize a risk-base approach to monitoring to maximize available resources. Risk-based monitoring will target attention to program/project activities and grantees that represent the greatest risk and susceptibility to fraud, waste, and mismanagement.

ANNUAL MONITORING PLAN

County staff will develop an annual Monitoring Plan based on its risk assessment and available resources. The Monitoring Plan will identify the actions that will be taken to assess grantees performance, including which participants will be monitored, the type of monitoring (e.g., in-depth, limited, on-site, remote), the programs/projects to be monitored and the expected monitoring dates.

CONDUCTING THE MONITORING

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After the Monitoring Plan has been developed, County staff will communicate with the grantee to establish the date for the monitoring visit. Staff will communicate specific information that will be requested as part of the monitoring program. The main objective of the monitoring is to assist program/project grantees in carrying out their program responsibilities. Specific monitoring questions to ask are: Is the program purpose being accomplished? Are the program beneficiaries being served as intended? Are program requirements being met? Are adequate management, operational and financial controls in place to ensure accountability for grant fund expenditures?

MONITORING CONCLUSIONS

Monitoring concerns brought to a grantee's attention should include the identified issue and the cause and effect. Staff should suggest or recommend actions that the grantee can take to address a deficiency based on sound management principles or other guidelines. As a result of monitoring, staff will report whether or not the agency provided the deliverables as proposed in the application and required in the contract. Staff may also reach one or more conclusions that:

1. Performance was adequate or exemplary;
2. There were significant achievements;
3. There were concerns that need to be brought to the attention of the grantee;
4. Technical assistance was provided or is needed; or
5. There were findings that require corrective action.

All follow-up actions are to be documented and communicated to grantees by County staff. The results of monitoring activities will be submitted to the Senior Services Grant Commission for its information.